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## **Opening universities' doors for business? Marketization, the search for differentiation and employability in England**

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### **Abstract**

The article seeks to investigate the causes and consequences of the increased engagement of British universities with employability and skills initiatives. By employing case studies of six universities based in England, it asks whether the increased engagement between higher education and the labour market is driven by universities or business and whether such engagement has increased the diversity of the higher education sector. Findings suggest that the alignment between labour market needs and educational provision in universities is strongly mediated by the competitive environment within which higher education institutions have been operating since the late 1990s: the higher education market – not the labour market – is the key driver for universities to engage in employability and skills initiatives. The article also questions the assumption that ‘competition’ leads to ‘differentiation’ in higher education. Rather, isomorphic tendencies seem to prevail over differentiation in the context of a highly competitive higher education market.

### **Key words**

Higher education; skills; employability; marketization; organisational change.

## 1. Introduction

In the late 1980s, the Thatcher government implemented a policy – Enterprise in Higher Education (EHE) – that has been identified as the ‘largest direct government intervention ever into the higher education curriculum’ (McNair 1995: 3). Through EHE the government essentially transferred funds to selected universities who committed to better align their educational offer with labour market demands. Although the programme was rather limited in its funding, it illustrated a significant concern of policy-makers at the time, as the government believed that universities were not taking an active enough role to ensure that their educational provision was sufficiently in line with labour market needs (Whiteley 1995; Burniston, Rodger, and Brass 1999).

The results of EHE, however, were not particularly satisfactory. The policy evaluation showed rather limited effects. Curricular reforms only took place in those institutions that received funds through the initiative, defying the government’s expectation that a process of organisational change would trickle down from funded to non-funded institutions; moreover, it only affected a limited number of polytechnics, while ‘research-intensive’ institutions did not engage with the policy (Burniston, Rodger, and Brass 1999).

As such EHE was discontinued and *direct* government interventions into curricular matters was not subsequently replicated (Durazzi 2019: 1806). Yet, fast forward by approximately 20 years and British universities have come at the forefront of the so-called ‘employability agenda’, broadly defined as the commitment of universities to provide degree courses that are relevant to the labour market and to equip students with a set of broad practical skills that go beyond the discipline-specific knowledge of their degrees (OECD 2015; Davey et al. 2011; Mason, Williams, and Cranmer 2009; Cranmer 2006).

While the issue of employability in higher education has attracted scholarly attention from various angles, including its normative implications and the impact on students’ labour market transition (Boden and Nedeva 2010; Cranmer 2006; Mason, Williams, and Cranmer 2009; Morley 2001), two questions have remained unanswered. The first pertains to the causes of the employability agenda in universities: is this development driven by business or by universities themselves? The second has to do with its consequences: has the higher education sector become more diverse as a consequence of the rise of the employability agenda or have universities engaged in mimetic and isomorphic behaviour?

These questions are intriguing because the existing literature, which is reviewed in section 2, provides us with conflicting theoretical expectations concerning both the causes and consequences of the employability agenda.

In tackling these questions, the article shows that there is a strong link between the marketization of the higher education sector and the growing engagement of universities with the employability and skills agenda, showing that universities – not employers – are in the driving seat of these initiatives. Moreover, the article suggests that in the context of a highly competitive higher education market, universities' efforts to step up their engagement with employers were characterised by isomorphic tendencies, casting doubts on the notion that competition in higher education increases diversity of the sector.

The article proceeds as follows: section 2 sets out the relevant theoretical background, introducing competing theories that might explain the outcome of interest; section 3 illustrates the research design and data collection process; section 4 presents the findings of the study, reporting the main changes that took place across six English universities as part of the employability agenda before explaining these changes in light of the theories introduced in section 2; section 6 draws the conclusions.

## **2. Setting out theoretical expectations**

### **Business-centred explanations: deregulated labour markets and general skill formation**

The comparative political economy literature, and the Varieties of Capitalism (VoC) scholarship in particular, brought 'skills' to the forefront of the analysis in political economy and foreshadowed a large stream of literature that identified business as key actors in public and social policy (Culpepper 2001; Mares 2003; Farnsworth and Holden 2006). The central argument put forward by VoC scholars is that political economies are 'firm-centred' and that education and training systems represent one of several institutional spheres that complement each other and that allow firms in different countries to specialise in different sectors and products. In so-called 'liberal market economies', like Britain or the United States, employer associations have little 'coordinating capacity', the role of unions is marginal and the labour market is highly deregulated, leading to the education and training system providing primarily *general* skills (Hall and Soskice 2001; Estevez-Abe, Iversen, and Soskice 2001). These skills, that can

be valuable beyond a particular sector, are thought to be safer investments for individuals in labour markets characterised by scant employment protection, relatively short job tenures and frequent changes of occupation (Finegold and Soskice 1988; Soskice 1993). In this sense, the expansion of higher education, and in particular the strong emphasis placed by universities on employability skills (as the case studies will discuss in closer detail), can be plausibly conceptualised as a complement of the highly deregulated British labour market and be therefore consistent with a VoC scenario (cf. Busemeyer 2015). Indeed, employability skills represent possibly the most general skillset, insofar they entail, according to the Confederation of British Industry (CBI), self-management, team working, business and customer awareness, problem solving, communication and literacy, application of numeracy, application of information technology, positive attitude and entrepreneurship / enterprise (CBI and Universities UK 2009: 9). The underlying theoretical mechanism would therefore be the following: universities respond to employers' needs and as such they provide the skills that employers demand. Given the British institutional context, employers will particularly value general skills and correspondingly universities will equip graduates with these skills.

Yet, research found employer engagement in vocational education, higher education and active labour market policies in Britain to be often weak (Durazzi 2019; Ingold 2018; Ingold and Stuart 2015; Huddleston and Laczik 2012), prompting us to consider alternative theories that assign to universities – not employers – the crucial role in the process.

### **University-centred explanations (I): competition and differentiation**

The new economics of the welfare state (cf. Barr 2012) presents a compelling argument as to why higher education is 'different' compared to most other social policies. In particular, as higher education is a policy area where imperfect information is not significantly pervasive, it is argued that 'competition [...] is beneficial' (Barr 2012: 306) as it would lead universities to improve their educational offer by providing a greater mix of courses, subjects and modes of delivery to attract well-informed students. Early theorisations of higher education systems in comparative perspective argued that where competitive higher education markets expanded so would do diversity within the sector (Clark 1983). In particular, universities embedded in competitive markets were expected to strive to differentiate

themselves from their competitors “as a way of attracting consumers and thereby building a dependable base of support in a hived-off segment of the market” (Clark 1983: 162). This view has become influential in recent years among policy-makers: the OECD for instance argues that one way of encouraging differentiation among higher education institutions is precisely through ‘competition’ (OECD 2008: 98-99).

England is an ideal case to test empirically the expectations of market-driven diversification. Beginning in the late 1990s, the higher education sector saw an increasing reliance on market mechanisms. While a full review of these developments is beyond the scope of this article, it is worth noting a process of increased marketization and competition that started in England in the late 1990s with the introduction of a degree of cost-sharing between students / families and the tax-payer through the payment of an up-front fee of £1,000 per year (Shattock 2012: 155; Dearing 1997) and culminated in 2010 with the Browne Report. The latter set the scene for a radical move towards marketization, by increasing the cap on the fee that universities are allowed to charge to £9,000 and, importantly, gradually lifting the cap on the number of students that universities can accept to the point that from the academic year 2015/2016 universities are allowed to accept as many students as they want (Shaw 2014). Contextually, the high degree of autonomy that universities enjoy vis-à-vis the government in terms of setting curricula, expanding or down-sizing departments or subjects, and the rising role of the management vis-à-vis faculty created the condition for what has been labelled as a ‘real market’ of higher education (Shattock 2012: 155). From this perspective, the underlying theoretical mechanism would therefore be the following: universities compete against each other to attract students and they would pro-actively strengthen their curricular offer through employability and skill-oriented initiatives as part of a strategy to stand aside from the competition.

### **University-centred explanations (II): competition and isomorphism**

Assuming a rather different behaviour of universities, the organisational sociology literature argues that competing organisations might instead develop strategies that lead them to becoming increasingly similar to each other (DiMaggio and Powell 1983; Powell and DiMaggio 2012) through processes of coercive isomorphism, mimetic pressures and resource dependency.

Coercive isomorphism refers to ‘formal and informal pressures exerted on organizations by other organizations’ (Powell and DiMaggio 2012: 67). In this respect, the relationship between government and universities seems relevant, in particular with respect to informal pressures, which can be exerted by the government on universities. Let us consider the Destination of Leavers from Higher Education (DLHE): by publishing the labour market status of graduates upon completion of their degrees, both students and universities have easily comparable information on the extent to which, following a degree in a given subject and / or at a given university, graduates are employed in graduate-level jobs. Hence, the DLHE is an instrument of indirect pressure that the government can use to push universities to design their educational offer in a way that maximises their graduates’ employment opportunities. Tightening links with employers and embedding employability skills can be a plausible outcome of such pressures. Data from the DLHE is then factored into university rankings and applicants might be willing to take rankings into consideration when taking their enrolment decisions. Universities that see themselves at the relative low-end of the ranking, in turn, might be willing to improve their position. But does improving their position entail a process of differentiation as hypothesised in the previous sub-section? Organisational sociologists would provide a negative answer and rather expect that universities that perceive themselves as ‘less successful’ might be ‘pushed’ to engage in ‘mimetic processes’ aimed at replicating what more successful organisations do (Powell and DiMaggio 2012: 69).

Resource dependency theories provide further reasons as to why isomorphism would prevail over differentiation (Dimaggio and Powell 1983). In short, it is argued that the more organisations depend upon same resources, the more they will become homogenous. Again, it is reasonable to expect that British universities are subject to isomorphic pressures due to resource dependency. In 2000 over 30% of expenditure on tertiary education was drawn from private sources, and the figure reached 70% in 2009 (OECD 2012). Student fees here are particularly relevant as they constitute the bulk of private expenditure, and the main overall source of income for universities – standing at an average of around 45% of total universities’ funding in the academic year 2014/2015 (Universities UK 2016). Given that students from different socio-economic backgrounds and attending different types of institutions (i.e. pre- and post-1992 institutions) have been found to have rather homogenous preferences toward higher

education provision (Ainley and Weyers 2008) and given that universities increasingly rely on students' fees for 'organisational survival', it is reasonable to expect an isomorphic process led by homogeneous students' preferences. From this perspective, the following theoretical mechanism would therefore unfold: universities compete for positions in rankings and fee-paying students, but given that the parameters of the competition are the same for all universities, their behaviour in response to these parameters will lead to organisational isomorphism.

After a survey of the literature, we are therefore left with competing theoretical expectations concerning both causes and consequences of the employability and skills agenda. Is this phenomenon driven by business – as hypothesised by the political economy literature on skills – or is it rather driven by universities – as hypothesised by the educational literature? And has increased engagement with employability and skills initiatives made the higher education sector more diverse – as suggested by scholars who theorise differentiation as a by-product of competition – or more homogenous – as suggested by organisational sociologists who see isomorphism as a consequence of competition?

### **3. Research design and data collection**

To answer the research questions introduced in section 1 and reiterated at the end of section 2, I opt for a case study approach. Two classic rationales for a case study research design apply to this study: firstly, my empirical endeavour is one in which there is a (hypothesised) strong relationship between the phenomenon that I seek to analyse (i.e. employability and skills initiatives in university) and its socio-economic contexts (i.e. the labour market within universities are embedded and the higher education market within which they operate). This is a classic setting in which case studies are well-advised (Yin 1981). Secondly, the study aims to unpack the causal *mechanism* beneath universities' engagement with employability and skills initiatives. The use of case studies is particularly well-suited for research that is not correlational in nature, but that rather aims at unpacking the mechanisms underpinning a given social phenomenon (Gerring 2004). I opt in particular for a multiple cases design as I select six universities, according to three theoretically-informed selection criteria (SC) that capture relevant variables to control for, thereby increasing the likelihood that the selected cases are representative of the broader universe of cases, i.e. English universities.



SC1. Being the British system of higher education a vertically differentiated one, i.e. a system where universities primarily differ between each other by virtue of individual status (Goglio and Regini 2017), I selected institutions that spread across the spectrum of widely known university rankings to assess whether the processes analysed in this article are specific only to high or low status institutions.

SC2. The British system was characterised until 1992 by horizontal differentiation: research-oriented universities (commonly referred to pre-1992 institutions) coexisted with teaching oriented institutions or polytechnics that were awarded the university status in 1992 (commonly referred to as post-1992 institutions) (Pratt 2008, 1992). Post-1992 institutions had traditionally strong links with local employers, hence collecting data from both pre- and post- 1992 institutions allows disentangling whether the employability agenda is pursued only by a sub-set of universities, for instance by former polytechnics because of a legacy effect due to their prior status.

SC3. Research has found an important role of the local / regional – rather than national – labour market in determining skills policies (Crouch, Schröder, and Voelzkow 2009) and it has drawn a distinction between service sector and manufacturing sector as important variables that shape the demand for skills (Durazzi 2019). Accordingly, universities have been selected in areas of England heavily geared toward the service sector (i.e. South-East of England) and areas relatively more reliant on manufacturing sector (i.e. the Midlands) to assess whether the links between employers and universities are shaped by local socio-economic circumstances.

In each university, data was collected through semi-structured interviews and additional information was gathered through universities' websites and documents. All interviews followed the same template (see online appendix). Upon completion of the interviews, these were transcribed and organised through thematic memos, which reflected the three main analytical concerns of this article, namely: (i) the extent, timing and type of change in terms of employability skills that took place in each university; (ii) the reasons behind these changes and the actors that drove them; and (iii) the extent to which these changes are characterised by differentiation or isomorphism. Section 4 develops theme (i) in its first sub-section 'Mapping change' and themes (ii) and (iii) in its second sub-section 'Explaining change'.

Education and teaching initiatives have a two-pronged nature: overarching strategic direction tends to come from the university level while implementation (as well as additional measures) might be specific to departments and/or disciplines. I selected interviewees from university senior management to capture the former as well as interviewees from engineering departments, to control for potential variation across disciplines. The rationale for selecting engineering lies in the importance assigned to STEM across countries (Freeman, Marginson, and Tytler 2014). Moreover, engineering has been at the centre of several pressures to move away from a narrow and theoretical conception of the discipline towards a broader and more practical approach (e.g. University Alliance 2015), not least because a majority of engineering graduates end up in occupations that are not strictly connected with engineering, such as service sector occupations (Durazzi 2018: 124).

While the focus on a single discipline helps achieving consistency in the data collection process, it raises the question of whether these processes should be expected to take place in other disciplines too. A definitive answer to this question can only be given by future research examining other disciplines, but it is important to note here that there are at least two reasons to believe that the trend observed in engineering can be representative of a broader trend across the sector: firstly, as it will become clear in the next section, most of the initiatives undertaken by the six universities under scrutiny took place at the level of the university; secondly, existing research shows a general trend in British higher education toward the inclusion of general employability skills and greater dialogue with business when setting out universities' educational offer (Barnett 1994; Mason, Williams, and Cranmer 2009; Cranmer 2006). Table 1 provides an overview of the universities selected as case study and of the interviewees within each university.

Table 1 about here

## **4. Findings and analysis**

### **Mapping change**

This sub-section provides a brief summary of the main changes that took place in each university, before investigating their causes and consequences.

University A1 ensures that graduates receive a labour market-relevant education across all departments in two ways. The first is through the presence of industrial partners in the validation panel for the introduction of new degrees or for the update of existing ones, although employers' input has been described as rather limited (interview 1). The second is through an employability skills course that is available to all undergraduates. This has been introduced in 2014 and it focuses on the following overarching themes: business and professional skills, global challenges, languages and global citizenship, and science, culture and society. Despite the course is non-compulsory, the take-up from students has been very high, standing at over 60% across all undergraduate programmes (interview 2).

At university A2, curricular changes in the engineering department over the last decade mainly took place in two ways. Firstly, the department enhanced the inter-disciplinary nature of their degrees. This has been formalised through interdisciplinary project weeks that take place every year (interview 3). In addition, the department has also stepped up the role of industrial advisory boards giving them a more proactive role in advising in curriculum development. A symbolic step that was taken to underscore the increased emphasis of employers was to shift the chair of the advisory board from a member of faculty to a member of the employer group (interview 3). Finally, all degrees in the department are aligned with the four key 'graduate attributes' that apply across the university namely: discipline-based knowledge, critical enquiry and learning, awareness of context, and personal development and employability (interview 4).

As in the previous cases, university A3 embedded employability skills in curricula and strengthened cooperation with employers in the design of degree programmes. Industrial boards have been formalised across the department in the early 2000s (interview 6), when the department carried out an overhaul of undergraduate curricula away from a narrow scientific orientation and more towards the provision of practical and general skills, which currently account for a quarter of the first year curriculum (interview 6). During the process of setting up the new degrees, the input from industrial partners was defined as 'fundamental' (interview 6). This process that university A3 embarked upon in 2006 has been further developed since 2014, when a new curriculum across all undergraduate degrees has been introduced with a specific focus on employability. The key themes that

the new curriculum is built upon are technical communication, leadership, management and legal aspects of the profession (interview 5).

In university B1 the approach to employability and skills encompasses all departments. Significant efforts have been made to embed employability skills across all undergraduate curricula. Since 2007, all undergraduate students are required to undertake an extra-curricular project in each of their undergraduate year that focuses on one of the following areas: enterprise and entrepreneurship, industry certified skills (e.g. digital literacy), international abilities and intercultural competences, placement, or volunteering (interview 9). Next to this, since 2005, cooperation with employers and / or professional bodies in the design of curricula has been stepped up by demanding that every course across the university shows evidence of industrial engagement. A senior representative of the university management explained that ‘we make sure that all our courses are designed in conjunction with industry, or commercial or public sector bodies in order to be sure that of their current relevance’ (interview 9).

University B2 made the decision in 2013 to embed employability skills across all undergraduate degrees by identifying three ‘graduate attributes’ that were deemed crucial for graduates to be ‘self-starters’ (interview 11). The three key skills that were identified as cornerstones of B2’s graduate attributes are: enterprising, digital literacy and global outlook. The university produced guidelines on how individual degree programmes are expected to embed these ‘attributes’ within their curricula and evidence of this process needs to be provided for a course to be approved (interview 11). Since the early 2000s, validation panels have also been in place and they feature employers that are asked to approve newly introduced or re-designed degrees (interview 11).

University B3 featured an institution-wide approach to step up the provision of professional skills in their degrees. Employability skills are taught as mandatory modules in the first two years: as in the previous cases, emphasis is given on issues around management, report writing and organisational skills. These modules have been introduced in 2010 (interview 12). In addition, since 2008, the university decided to tighten their links with the local industry by formalising across departments the establishment of employer advisory boards which meet every two months and have a rather significant input into the curriculum insofar ‘we talk about the curriculum, we talk about changed that we have in

mind and new degrees that we are thinking or developing [...] and we talk about these skills that we are teaching and whether they are the right skills and what's missing' (interview 13).

Table 2 summarises the main initiatives that were developed in each of the six universities, grouping them according to the two types of initiatives that emerged from the mapping exercise, namely (i) curricular changes to include employability and skills; and (ii) employer engagement in curriculum development and design.

Table 2 about here

### **Explaining change**

The previous sub-section provided strong evidence showing that British universities have been increasingly concerned with tightening their curricula around the employability and skills agenda since the 2000s. This section investigates first the reasons behind such changes and the extent to which these have resulted in increasing differentiation among institutions or – rather – in organisational isomorphism.

Against the theoretical expectations set out in section 3, there is strong evidence to rebut business-centred explanations. Rather, the data collected across the six universities unequivocally point at universities themselves as the crucial actors driving this development, as illustrated by the following quotes:

*'Occasionally employers come to us but normally what happens is that we, the university, go out to them' (interview 12).*

*'We know which ones are the top companies that employ [our graduates] so we felt that it would be helpful to work with them and they felt it would be helpful to work with us to define what are the skills and attributes that they should have. And it was the university's initiatives to start this relationship' (interview 13).*

*'In balanced terms, it is much more us going to employers. We do get employers occasionally that ask us to develop a particular course for them, but it is probably 80% us and 20% them' (interview 11).*

Highlighting further the pro-active role of universities, several interviewees mentioned how they encourage members of staff to engage with industry, for instance by having 'people in professional body boards' as well as 'encourag[ing] people to take non-executive directorships' (interview 9). A

case in point here is the development of a degree focussing on digital skills that took place at university B2. A ‘local’ skill gap around digital skills was identified and the university aimed at filling this gap by developing a degree in the subject (interview 11). Yet, the process leading up to the establishment of the degree was entirely university-driven:

*‘We have members of academics staff in every area who make it their business to go out and talk to local employers and professional bodies and sector skill councils. [...] It was identified that this [digital skills] was a growth area in the city, we then engaged with a group of employers, talked to them, showed them a course portfolio and that led to the delivery of the digital skills degree’ (interview 11).*

But what determines such proactive behaviour of universities? Turning to the underlying mechanisms structuring the relationship between universities and the employability agenda, we find that the *higher education market* plays a key role, in line with the theoretical expectations derived from university-centred explanations. Interview data show in particular the joint – and inter-related – effect of two main factors. Firstly, the need to catch-up or keep-up in *university rankings* in order to ensure a stable pipeline of future student recruitment emerged as a key factor: as employability comes into rankings and league tables, universities strived to form those skills that they perceived that employers valued highly (e.g. employability skills) and to ensure the relevance of their degrees to labour market needs (e.g. by organising and strengthening industrial advisory boards). The employability agenda was therefore used by and large by universities as a way to keep up or catch up in rankings and as such ensure that reputation is upheld or improved and in turn keep attracting students. Indeed, *students’ expectations* is the second crucial element, given that universities feel that students seek returns on their investments in the form of a graduate job and they therefore expect universities to make an explicit link between their educational offer and labour market needs. These two factors are reviewed in closer detail by drawing on interview data.

The pressure stemming from rankings were conceptualised in similar terms regardless of whether respondents were affiliated to pre- or post-1992 universities, as illustrated by the following quotes:

*'The university is very sensitive to students feedback, department audits, league tables. These factor in employability. It is more visible whether we are delivering or not' (interview 6).*

*'A lot is shifting [in the] landscape of scrutiny. There are all these measures that start allowing comparisons on all of these areas' (interview 5).*

*'We attract the best students from around the world [...] we know that we have to enhance the reputation in terms of recruiting the best students around the world. We want to make sure we are keeping up and preferably ahead' since 'rankings 20 years ago didn't really exist, [now] there is much more benchmarking [...] so we need to maintain our position of excellence in the rankings' (interview 2).*

*'We are all very conscious of how we are assessed, the DLHE survey, that gives you a sense of how many students are employed and more importantly how many are employed in graduate level jobs. And that's an annual key performance indicator that we report to our board of governors, we analyse internally, and we worry about how we refer against our world of competitors' (interview 11).*

Increasing students' employability as a way to boost university performance in rankings was perceived as particularly important by those universities in the sample that had struggled with their performance indicators. University B3 decided to step up the provision of employability skills when 'the university recognised that it was not doing as well as other institutions in terms of employment prospects. And that was made clear by the DLHE data. Our data were not as good as other universities' (interview 13). A similar reasoning had been undertaken at university B1. Here, it was explained that the management of the university in the early 2000s neglected the importance of league tables but that a change of management in 2004 brought about a connection between skill formation and performance in rankings:

*'It was early days of the league table movement, there was a denial that league tables were going to be important by the previous regime, and so a denial of some of the issues that were there. And therefore like any organisation that stood at the bottom of its own league table, there was something wrong' (interview 9).*

Yet, when the new management came in, they decided to seek more employer involvement in course design and more practical inter-disciplinary skills in course content because 'whether you like it or not, the students getting graduate level jobs is one very important outcome from the DLHE survey and therefore important in the league tables' (interview 9).

Jointly with the pressures stemming from operating in a highly scrutinised and comparable sector, student expectations also proved to be a crucial driver. Again, the process observed across the spectrum of the universities analysed was rather similar, insofar universities tightly linked issues of student recruitment with the employability agenda, although some universities felt a pressure in terms of recruiting *enough* students, mostly the former polytechnics, whereas pre-1992 universities felt pressures in terms of recruiting students of the highest quality. University B3 made clear why student recruitment and skill formation are tightly linked:

*'The driver [for skill formation] is our client-base, by which I mean the students. They want more than they did in the past to get a job at the conclusion of their studies. To get that job they need a certain set of skills, which include the transferable skills. We've had to change the way we do things to enable them to have this skillset' since 'students come to university now for different reasons than they did 20 or 25 years ago. They come to get a job. If we don't provide that, that means that not enough students apply and if we don't have enough students, then we don't have our funding. That means we go bust. It's just finance. We are a service provider' (interview 12).*

*'The university would like to give graduates a set of skills that are useful to employers immediately. In order to give our graduates an edge that would make them more interesting for employers. And we would be able to improve our key performance indicator in terms of employability' (interview 12).*

Indeed, there is strong evidence suggesting that students see higher education primarily as a way to improve their job prospects, which is indicated as the most important reason to go to university by nearly 80% of the respondents to a national survey jointly run by business and student associations (CBI and NUS 2011: 7). Furthermore, student expectations towards landing a graduate level job were perceived to be heightened by the increase in fees, hence at university B2, equipping students with employability skills was a response to 'getting students out into graduate level jobs' (interview 11) especially given that 'they are now investing a considerable amount of their future borrowing in their courses and [they are looking to get] a return on the investment' (interview 11). Along the same lines, a senior representative at university B3 argued that equipping students with the right skillset for the world of work is 'a moral obligation on the part of the university particularly in light of the fees. When



the £9,000 fee came in, I think that if a student spends £27,000 for a degree, there is an obligation on the side of the university to ensure that the student is as fit as possible for the world of work' (interview 13).

While pressures for student recruitment were somewhat softer in pre-1992 universities, the concern with increasing the *quality* of student recruitment was a key element in the curricular changes, as noted by a senior academic in the department 'although we were attracting very good students, we wanted to be the place that people looked at first. We felt there was room to do something different in terms of careers and employability' (university 5). An increased focus on employability was therefore the response provided by the Department at university A3 to the perceived fall in reputation:

*'How would we grow the brand? Probably one of the things in his mind is that [university A3] scores very well on individual measures for individual faculties but we tended to come a lot lower in reputation, so it was something of brand identity' (interview 11).*

In those universities where changes were most marked, as in universities A3, B1, B2, and B3, interviewees assigned a crucial role in the process to senior management. At university B3, it was made clear that 'as all major shifts, it tends to come from [a new] Vice Chancellor, who noticed that the university was not doing as well as other universities and the driver really was that we were not doing the best for our students' (interview 13). A particular strong argument on the side of the management to bring about change was to tie curricula change with 'organisational survival', hence as explained by a senior academic and current pro-Vice Chancellor for Student Experience in university B1, the new management could convince a part of the faculty that was not ready to undertake substantive changes to curricula:

*'Let's say the economic position of the university was at risk, that was demonstrated, then an argument was made that this [enhance the provision of employability skills and tighten links with the economy] was a way to differentiate and stand out at that time, and then she delivered that, and showed that that was true and that also improved the economic prosperity of the university. Then the argument was much easier to win' (interview 9).*

Thus interview data provide strong support for university-centred explanation not only in terms of the key actor driving employability initiatives, namely universities, but also in terms of the underlying mechanisms that shape universities' strategic choices, namely the competitive pressures stemming from a highly marketised higher education system. More specifically, concerns with performance in rankings and student recruitment have appeared as major motives behind universities' choice to increase the provision of employability skills in their curricula and to strengthen links with employers when designing their educational offer.

Yet, it is still to be discerned whether these trends lead to differentiation or isomorphism. In this respect, the picture that emerges is rather mixed. In some instances, interviewees explicitly described processes of isomorphism. Thus, for instance, a representative of university A1 explained that the introduction of the employability modules was inspired by another institution – perceived as a competitor – that had introduced similar modules for their undergraduates (interview 1) and that, more broadly, other Russell Group universities were identified as benchmark:

*'Well, it is more competitive now. We have got one of the top levels of employment for graduates. We can't rest on the laurels. To maintain that in the face of competition, we've got to get better. We certainly looked at other core curricula programmes but essentially we have tried to improve what we do ourselves. Other Russell Group universities are what we look at' (interview 2)*

Similarly, at university B3, the process that led to curricular reform was heavily shaped by what other universities were doing:

*'We started to look [...] at what other higher education institutions were doing that we weren't. There is no point in reinventing the wheel. If there are good practices out there why not adopt them' (interview 13).*

These quotes speak directly to the 'mimetic processes' theorised by organisational sociologists who expect relatively less successful organisations to replicate what their more successful peers do (Powell and DiMaggio 2012: 69). Yet, other interviewees argued that the changes that took place in their universities were inspired by a search for differentiation, suggesting that the 'competition and

differentiation' thesis captures well the incentive set that a highly marketised higher education system sets in motion:

*'We were influenced by being different [...]. We wanted to do something that set us aside, or something different' (interview 6)*

*'We looked at relevant competitive organisations at that time, we looked at how we needed to be different and to improve in all sorts of directions but we also used league tables as well to drive behaviour' (interview 9).*

Yet, even against the background of such an explicit search for differentiation, the question posed by organisational sociologists of 'how much diversity is in fact available out there?' stands out as particularly relevant. Indeed, if we look at the employability initiatives introduced by university A3, and B1 – two of the institutions that explicitly stated their search for differentiation – it appears clear that the direction of travel is very similar, with strong emphasis on management and business skills, IT literacy and international awareness. Indeed, having established that student recruitment, student expectations and position in rankings are key inter-related drivers for universities to engage in skill formation, universities have a rather narrow road towards the provision of employability skills given the high correspondence between students' and employers' expectations. Joint work between the National Union of Students (NUS) and the CBI, for instance, sets out explicitly what are the key skills that universities should enhance in their graduates, namely self-management, team working, business and customer awareness, problem solving, communication, application of numeracy, and application of information technology (CBI and NUS 2011: 13-14; Durazzi 2018, 2019).

Thus, competitive pressures from the higher education market by and large translated into mechanisms of isomorphism through two routes, that can be understood through the lenses of organisational sociology: firstly, some universities who perceived themselves as less successful set in motion explicit mimetic processes in an attempt to replicate those organisations that they perceived as more successful (cf. DiMaggio and Powell 1983: 154-55); secondly, universities' dependence on the same financial resources (i.e. student fees) and on the same assessment criteria (i.e. the DLHE) severely constrained the array of strategic options that universities could resort to, leading to a *de facto* process of isomorphism even for those organisations that framed their changes in terms of strategic

differentiation (cf. DiMaggio and Powell 1983: 155). The main line of differentiation that has emerged between institutions was not therefore around the types of employability and skills initiatives that were designed and implemented, but rather around how central the employability and skills agenda was for the institution. Here, we can identify universities that did not feel an immediate pressure in terms of student recruitment (universities A1 and A2) and that only introduced limited changes to ensure that they would not fall behind in terms of reputation and they would keep up with broader trends in the sector. On the other hand, radical changes were observed in institution A3, where there was a clear concern about the quality of student recruitment, and institutions B1, B2, B3 where there was a clear concern of ‘organisational survival’ determined by their low position in the ranking and the fear that this would translate into insufficient recruitment given the heightened competition in the higher education market.

## **5. Conclusion**

While it is well-established that higher education systems across countries are subject to increasing pressures from employers and policy-makers to better match their educational offer with labour market needs, the processes by which this alignment occurs remain empirically underspecified. This article aimed to shed light on such processes by asking (i) what are the actors and mechanisms underpinning closer alignment between English universities and the labour market; and (ii) what are the consequences of such closer alignment for the diversity of the higher education sector.

Findings suggest that the alignment between labour market needs and educational provision in universities is proactively driven by universities and it is strongly mediated by the competitive environment within which higher education institutions have been operating since, in particular, the late 1990s. As far as ‘organisational survival’ rests upon the recruitment of fee-paying students and performance in league tables, universities engaged with the skills agenda as a strategic choice to formulate an appealing educational offer to current and future students. As such, employability skills have been introduced in most universities and made explicit in curriculum design and development, and the role of industrial partners has been often strengthened. Furthermore, the article questions the assumption that ‘more competition’ leads to ‘more differentiation’ in higher education. Rather,

isomorphic tendencies seemed to prevail over differentiation, giving credit to organisational sociologists' claim that, despite much search for differentiation, the array of choices that organisations can resort to is rather limited, to the extent that organisations are subject to the same coercive mechanisms (e.g. rankings and performance indicators) and depend upon the same resources (e.g. student fees).

These two findings prompt two broader reflections. Firstly, while employer engagement remains a guiding principle of skill-oriented policies in Britain (Benassi, Durazzi, and Fortwengel 2020), this article joins a body of existing evidence showing that the extent to which employers actually engage with other actors – be they universities, schools, training providers or public employment services – is rather limited (Ingold and Stuart 2015; Huddleston and Laczik 2012; Harvey 2009; Martin 2005). The ensuing point is that government policy should more seriously address the demand-side of skill-oriented policies (Ingold and Stuart 2015; Ingold 2018), given that 'employer engagement' seems to be heavily unbalanced toward and reliant on actors and organisations on the supply-side. Secondly, the article casts doubts on the effectiveness of markets to improve universities' educational offer. To begin with, universities' educational offer did not seem to feature greater diversity as a result of marketization, despite greater diversity has been often heralded in policy circles as a beneficial effect of market competition in higher education (OECD 2008; NAO 2017). Moreover, the article suggests that market mechanisms tend to gear universities toward *short-term* demands of students or business. This emerged clearly in universities' concerns for year-on-year movements in rankings and ensuing fluctuations in student numbers, leading senior management to devise strategies that they perceived as providing immediate beneficial effects for their organisations. This approach, in turn, is likely to take attention and resources away from long-term issues that are crucial to contemporary societies and that higher education institutions are well-placed to contribute to (e.g. climate change).<sup>i</sup> This short-termism stands in contrast with emergent modes of *mission-oriented* policy-making (Mazzucato and Dibb 2019), which focuses on (long-term) strategic questions that *states* ought to identify and address, rather than on the (short-term) needs that markets tend to impose. Prioritising missions over markets would therefore appear as a more promising way forward for higher education policy.

## Endnotes

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<sup>i</sup> I am grateful to an anonymous reviewer for raising this point, although she/he should not be implicated for how this point has been articulated.

## Tables

**Table 1** Summary of data collection

University	Location	Pre- / post- 1992	Position in nat'l rankings	Interviewees (role / interview code used in the article)
A1	South-East	Pre	High	Vice Dean Education, Engineering / 1 Vice Provost Education, University / 2
A2	Midlands	Pre	Medium high	Director of Learning and Teaching, Engineering / 3 Head of Multidisciplinary Education, Engineering / 4
A3	South-East	Pre	High	Director of Studies, Engineering / 5 Vice Dean Education, Engineering / 6 Education strategy Officer, University / 7
B1	Midlands	Post	Medium low	UG and PGT coordination, Engineering / 8 Deputy Vice-Chancellor Student Experience, University / 9
B2	Midlands	Post	Low	Deputy Vice-Chancellor Academic, University / 10 Head of School, Engineering / 11
B3	South-East	Post	Low	Director of Learning and Teaching, Engineering / 12 Pro Vice-Chancellor International, University and Head of Faculty, Engineering / 13

**Table 2** Summary of main employability and skills initiatives

University	Employability skills	Employer engagement
A1	Employability modules not compulsory but taken up voluntarily by ca. 60% students	Employer advisory boards in place, but with limited impact
A2	Interdisciplinary projects as a way to formalise employability activities that were already taking place	Industrial advisory boards incentivised to take a more active role, including shifting chair of the board from member of faculty to representative of industry
A3	Skills development modules as key part of 'revisited' degrees	Business advisory boards with important role in the process of setting up the 'revisited' degrees
B1	At least one employability project to be undertaken in each year of their degree by undergraduate students	All new degrees – and existing ones that are updated – must show evidence of industrial engagement
B2	Compulsory employability modules with university-wide guidelines set out to ensure that these are included in all degrees	All new degrees – and existing ones that are updated – must show evidence of industrial engagement
B3	Compulsory employability modules in particular in the first two years of undergraduate degrees	Business advisory boards meet every two months and have significant impact

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